



STATE OF ILLINOIS  
HEALTH FACILITIES AND SERVICES REVIEW BOARD

52525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

|  |   |                              |  |
|--|---|------------------------------|--|
| <b>DOCKET NO:</b><br>H-4                   | <b>BOARD MEETING:</b><br>April 17, 2012 | <b>PROJECT NO:</b><br>12-003 | <b>PROJECT COST:</b><br>Original: \$10,871,749 |
| <b>FACILITY NAME:</b><br>Holy Family Villa |   | <b>CITY:</b><br>Palos Park   | Current: \$                                    |
| <b>TYPE OF PROJECT:</b> Substantive        |   |                              | <b>HSA:</b> VII                                |

**PROJECT DESCRIPTION:** The applicants (Holy Family Villa, Catholic Charities of the Archdiocese of Chicago, and The Catholic Bishop of Chicago), propose to add 30 skilled care beds to its existing 99-bed complement. The total cost of the project is \$10,871,749. **The anticipated project completion date is March 1, 2014.**



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## EXECUTIVE SUMMARY

### PROJECT DESCRIPTION:

- The applicants (Holy Family Villa, Catholic Charities of the Archdiocese of Chicago, and The Catholic Bishop of Chicago), propose to add 30 skilled care beds to its existing 99-bed complement. The total cost of the project is \$10,871,749. **The anticipated project completion date is March 1, 2014.**

### WHY THE PROJECT IS BEFORE THE STATE BOARD:

- The applicants are before the State Board because the applicants are proposing an increase in the number of beds in excess of the lesser of 10% or 20 beds or a substantial change in scope. In addition the cost of the project exceeds the capital expenditure minimum of \$6,717,857.

### PURPOSE OF THE PROJECT:

- The purpose of the project is to help address the continuing unmet demand for residents desiring care at Holy Family Villa, Palos Park. Holy Family Villa is a faith-based skilled care facility that is considered to be affordable in comparison to other facilities, with a Medicaid population that comprises 57% of its resident base. The applicants note that although its main campus building is only ten years old and still very much up-to-date, the applicants have simply outgrown the building. The applicants cite the need for an additional 339 beds in the 7-E health planning area, and the high patient population as reason for the proposed project.

### NEED FOR THE PROJECT:

To expand a long term care facility the applicant must provide documentation that

- the proposed facility is serving the residents of the planning area; and,
- there is a demand for the long term care service.

### BACKGROUND/COMPLIANCE ISSUES:

- The applicants, Holy Family Villa, Catholic Charities of the Archdiocese of Chicago, and The Catholic Bishop of Chicago, have no adverse background or compliance issues to report.

### PUBLIC HEARING/COMMENT

- No public hearing was requested and no letters of opposition or support for this project were received by the State Agency.

### FINANCIAL AND ECONOMIC FEASIBILITY:

- The entirety of the project will be funded through cash and securities (internally funded) totaling \$10,871,749. The applicants provided audited financial statements and it appears sufficient cash is available.



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## CONCLUSIONS:

- The applicants are proposing to expand/modernize its existing 99-bed skilled care facility through the addition of 30 skilled care beds, the construction of a new dining/activity pavilion, and the expansion of its chapel. The facility currently has a 5-Star Medicare rating, and a patient population is in excess of the 90<sup>th</sup> percentile, the prescribed occupancy target for skilled nursing facilities. Below is a list of criterion the applicants did not meet.

| State Board Standards Not Met                                   |   |
|---|---|
| Criteria  | Reasons for Non-Compliance  |
| <b>1120.140(c): Reasonableness of Project and Related Costs</b> | The applicant provided project costs that exceeded State Standards for New Construction/Proportionate Contingencies and Modernization/Proportionate Contingencies. The applicants exceed the new construction standard by \$17,464 and the modernization standard by \$6,335. |



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**STATE AGENCY REPORT**  
**Holy Family Villa-Palos Park**  
**PROJECT #12-003**

| APPLICATION SUMMARY                         |   |
|---|---|
| Applicants(s)                               | Holy Family Villa<br>Catholic Charities of the Archdiocese of Chicago<br>The Catholic Bishop of Chicago |
| Facility Name                               | Holy Family Villa   |
| Location                                    | Palos Park  |
| Application Received                        | January 18, 2012  |
| Application Deemed Complete                 | January 23, 2012  |
| Review Period Ended                         | March 24, 2012  |
| Public Hearing Held                         | No  |
| Can Applicants Request Deferral?            | Yes   |
| Review Period Extended by the State Agency? | No  |
| Applicants' Modified the project?           | No  |

**I. The Proposed Project**

The applicants propose to expand/modernize its existing 99-bed skilled nursing facility through the addition of 30 skilled care beds. The proposed project involves 37,270 GSF of modernized/newly constructed space, and the cost of the project is \$10,871,749.

**II. Summary of Findings**

- A. The State Agency finds the proposed project appears to be in conformance with the provisions of Part 1110.
- B. The State Agency finds the proposed project does not appear to be in conformance with the provisions of Part 1120.

**III. General Information**

The applicants are Holy Family Villa, The Catholic Bishop of Chicago, and Catholic Charities of the Archdiocese of Chicago. The current facility is located at 12220 South Will Cook Road, Palos Park, in HSA 7, and Long Term Care ("LTC") Planning Area 7-E. The 2011 LTC Data Summary lists 1 hospital-based unit and 54 free-standing Long Term Care (LTC) facilities in this LTC Planning area. **The February 2012 Inventory Update for General Long Term Care services shows a need for 339 LTC beds in the planning area.**



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The project is substantive project and subject to Part 1110 and Part 1120 review. Obligation will occur after permit issuance. **The anticipated project completion date is March 1, 2014.**

## Summary of Support and Opposition Comments

An opportunity for a public hearing was offered on this project; however, no hearing was requested. The State Agency has received no letters in support or in opposition to the proposed project.

Table One displays information pertaining to other LTC providers within a 30-minute travel radius. Data includes authorized beds, distance and travel times from the applicants' facility and respective occupancy rates. Data on authorized beds and occupancy rates were obtained from IDPH's 2010 Hospital and LTC profiles, distance and travel times were obtained from Map Quest, and the Medicare Star Rating was obtained from the Department of Health & Human Services' Medicare website ([www.medicare.gov](http://www.medicare.gov)). The data in the table is sorted by travel time.

As Table One shows, there are 54 other providers of LTC service in a 30-minute drive radius. Of the providers identified in Table One, 20 (37%), achieved the State Board's target utilization (90%) for 2010. The State Agency notes the applicant's facility has a 5-star Medicare rating, and reported 96.1% occupancy on the 2010 LTC profile.

| TABLE ONE<br>Facilities within 30 Minutes Travel Time |                  |                   |                            |      |                            |
|---|------------------|-------------------|----------------------------|------|----------------------------|
| Facility  | City             | Time<br>(minutes) | Medicare<br>Star<br>Rating | Beds | Occupancy%<br>(90% Target) |
| Lemont Nursing & Rehab Ctr.                           | Lemont           | 5                 | 2                          | 158  | 86.4 %                     |
| Franciscan Village                                    | Lemont           | 9                 | 3                          | 127  | 85.7 %                     |
| Manorcare of Palos Heights West                       | Palos<br>Heights | 10                | 2                          | 130  | 92 %                       |
| Lexington Health Care Ctr.                            | Orland Park      | 11                | 1                          | 278  | 67.3 %                     |
| Manorcare of Palos Heights East                       | Palos<br>Heights | 11                | 3                          | 184  | 93.5 %                     |
| Palos Hills Healthcare                                | Palos Hills      | 13                | 1                          | 179  | 62.4 %                     |
| Chicago Ridge Nursing Ctr.                            | Chicago<br>Ridge | 14                | 3                          | 231  | 94.4 %                     |
| Chateau Nursing & Rehab Ctr.                          | Willowbrook      | 14                | 1                          | 150  | 90.6 %                     |
| Emeritus Burr Ridge                                   | Willowbrook      | 14                | 3                          | 30   | 79.6 %                     |
| Alden-Orland Park Rehab                               | Orland Park      | 16                | 4                          | 200  | 73 %                       |
| Hickory Nursing Pavilion                              | Hickory<br>Hills | 16                | 1                          | 74   | 85.6 %                     |
| King-Bruwaert House                                   | Burr Ridge       | 17                | N/A                        | 49   | 96.3 %                     |
| Briar Place   | LaGrange         | 17                | 2                          | 232  | 90.4 %                     |



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| TABLE ONE<br>Facilities within 30 Minutes Travel Time |                  |                   |                            |      |                            |
|---|------------------|-------------------|----------------------------|------|----------------------------|
| Facility  | City             | Time<br>(minutes) | Medicare<br>Star<br>Rating | Beds | Occupancy%<br>(90% Target) |
| Rosary Hill Home                                      | Justice          | 17                | N/A                        | 29   | 100 %                      |
| Park Villa Nursing & Rehab                            | Palos<br>Heights | 17                | 2                          | 101  | N/A %                      |
| Lexington of Chicago Ridge                            | Chicago<br>Ridge | 17                | 4                          | 203  | 93.3 %                     |
| Rest Haven Central                                    | Palos<br>Heights | 17                | 1                          | 193  | N/A %                      |
| Westmont Nursing & Rehab Ctr.                         | Westmont         | 18                | 2                          | 215  | 91.5 %                     |
| Burgess Square  | Westmont         | 19                | 4                          | 203  | 85.9 %                     |
| Manor Care of Hinsdale                                | Hinsdale         | 19                | 2                          | 202  | 90 %                       |
| Bridgeview Health Care Ctr.                           | Bridgeview       | 19                | 1                          | 146  | 87 %                       |
| Oak Lawn Respiratory & Rehab                          | Oak Lawn         | 20                | 1                          | 143  | N/A %                      |
| Concord Nursing & Rehab Ctr.                          | Oak Lawn         | 20                | 2                          | 134  | 88.9 %                     |
| Midway Neuro/Rehab Ctr.                               | Bridgeview       | 20                | 1                          | 404  | 72.1 %                     |
| Manorcare of Oak Lawn West                            | Oak Lawn         | 20                | 1                          | 192  | 82.7 %                     |
| Crestwood Terrace                                     | Midlothian       | 20                | 3                          | 126  | 96.6 %                     |
| Manor Care of Westmont                                | Westmont         | 20                | 2                          | 144  | 85.5 %                     |
| Fairview Baptist Home                                 | Downers<br>Grove | 20                | N/A                        | 160  | 52.7 %                     |
| Smith Crossing  | Mokena           | 21                | 4                          | 30   | 96.6 %                     |
| Crestwood Care Ctr.                                   | Midlothian       | 23                | 1                          | 303  | 78.7 %                     |
| Lexington of LaGrange                                 | LaGrange         | 23                | 4                          | 110  | 88.5 %                     |
| Plymouth Place  | LaGrange         | 24                | 3                          | 86   | 82.5 %                     |
| Exceptional Health Care                               | Burbank          | 24                | 1                          | 56   | 93.9 %                     |
| Oak Brook Health Care Ctr.                            | Oak Brook        | 24                | 2                          | 156  | 89.1 %                     |
| Lexington of Elmhurst                                 | Elmhurst         | 24                | 2                          | 145  | 87.6 %                     |
| Brentwood Sub-Acute Health<br>Care                    | Burbank          | 25                | 3                          | 163  | 75.3 %                     |
| Meadowbrook Manor LaGrange                            | LaGrange         | 25                | 1                          | 197  | 60.6 %                     |
| The Grove of LaGrange Park                            | LaGrange<br>Park | 25                | 4                          | 131  | 75.4 %                     |
| Meadowbrook Manor                                     | Bolingbrook      | 25                | 2                          | 298  | 93.2 %                     |
| Elmhurst Memorial Hospital                            | Elmhurst         | 26                | 3                          | 38   | N/A %                      |
| Westchester Health & Rehab                            | Westchester      | 26                | 3                          | 120  | N/A %                      |
| Manorcare of Oak Lawn East                            | Oak Lawn         | 27                | 3                          | 122  | 94.5 %                     |
| Park Place Christian Community                        | Elmhurst         | 27                | N/A                        | 38   | 94.2 %                     |
| Hillcrest Nursing & Rehab Ctr.                        | Joliet           | 28                | 1                          | 168  | 89 %                       |
| Frankfort Terrace                                     | Frankfort        | 28                | 5                          | 120  | 98.3 %                     |
| Pershing Convalescent Ctr.                            | Berwyn           | 28                | 2                          | 51   | 75.3 %                     |
| Courtyard Healthcare Ctr.                             | Berwyn           | 28                | 3                          | 145  | 70.3 %                     |
| British Home  | Brookfield       | 28                | 5                          | 72   | 82 %                       |
| Renaissance at Midway                                 | Chicago          | 28                | 1                          | 249  | 90.9 %                     |
| Lydia Healthcare                                      | Robbins          | 28                | N/A                        | 412  | 96.4 %                     |
| Rest Haven West                                       | Downers<br>Grove | 28                | 5                          | 145  | 69.4 %                     |
| Snow Valley Nursing & Rehab                           | Lisle            | 30                | 3                          | 51   | 79.3 %                     |



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| TABLE ONE<br>Facilities within 30 Minutes Travel Time   |                 |                |                      |      |                         |
|---|-----------------|----------------|----------------------|------|-------------------------|
| Facility  | City            | Time (minutes) | Medicare Star Rating | Beds | Occupancy% (90% Target) |
| Ctr.  |                 |                |                      |      |                         |
| Plaza Nursing & Rehab Ctr.  | Midlothian      | 30             | 1                    | 91   | 91.5 %                  |
| Scottish Old Peoples Home   | North Riverside | 30             | N/A                  | 36   | 72.6 %                  |
| Source: Occupancy % 2010 IDPH LTC Profiles<br>Time and Distance determined by MapQuest and adjusted per 77 IAC 1100.560<br>Star rating determined from <a href="http://www.Medicare.gov">www.Medicare.gov</a> |                 |                |                      |      |                         |

## IV. The Proposed Project – Details

The applicants propose to expand an existing 99-bed skilled care facility, located at 12220 South Will Cook Road, Palos Park, by constructing a 37,270 GSF addition, resulting in 30 more skilled care beds, an expanded chapel, expanded laundry facilities, and a new dining/activity pavilion for residents of the entire facility. Once completed, the expanded facility will consist of 88,324 GSF of space, and will house 129 skilled nursing beds.

## V. Project Costs and Sources of Funds

The applicants' provided the project costs for both clinical and non-clinical aspects of the proposed project. Table Two shows the project costs and funding sources using these considerations.

| TABLE TWO<br>Project Costs and Source of Funds<br>Project 12-003 Holy Family Villa, Palos Park |             |               |             |
|--|-------------|---------------|-------------|
| Use of Funds   | Clinical    | Non -Clinical | Total       |
| Preplanning Costs  | \$70,000    | \$1,000       | \$71,000    |
| Site Survey & Soil Investigation   | \$51,283    | \$1,000       | \$52,283    |
| Site Preparation   | \$315,985   | \$15,000      | \$330,985   |
| Off Site Work  | \$406,160   | N/A           | \$406,160   |
| New Construction Contracts   | \$6,903,100 | \$283,122     | \$7,186,222 |
| Modernization Contracts  | \$290,402   | N/A           | \$290,402   |
| Contingencies  | \$719,350   | \$28,312      | \$747,662   |
| Architectural & Engineering Fees   | \$652,978   | N/A           | \$652,978   |
| Consulting & Other Fees  | \$374,460   | N/A           | \$374,460   |
| Moveable & Other Equipment   | \$426,747   | N/A           | \$426,747   |
| Other Costs to be Capitalized  | \$332,850   | N/A           | \$332,850   |



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| TABLE TWO<br>Project Costs and Source of Funds<br>Project 12-003 Holy Family Villa, Palos Park |                     |                  |                     |
|--|---------------------|------------------|---------------------|
| <b>Totals</b>  | <b>\$10,543,315</b> | <b>\$328,434</b> | <b>\$10,871,749</b> |
| <b>Source of Funds</b>   |                     |                  |                     |
| Cash & Securities  | \$10,543,315        | \$328,434        | \$10,871,749        |
| <b>Total</b>   | <b>\$10,543,315</b> | <b>\$328,434</b> | <b>\$10,871,749</b> |

## VI. Cost/Space Requirements

Table Three displays the project's space requirements for the clinical and non-clinical portions of the project. The definition of non-clinical as defined in the Planning Act [20 ILCS 3960/3] states, "non-clinical service area means an area for the benefit of the patients, visitors, staff or employees of a health care facility and not directly related to the diagnosis, treatment, or rehabilitation of persons receiving treatment at the health care facility." The State Agency notes the project involves the construction of a new patient wing and the addition of 30 skilled care beds. The applicants note the proposed project will add 37,270 GSF of space to an existing building containing 51,054 GSF of space.

| TABLE THREE<br>Space Requirements |              |         |              |                  |            |             |
|-----------------------------------|--------------|---------|--------------|------------------|------------|-------------|
| Department/Area                   | Existing GSF | Vacated | Proposed GSF | New Construction | Modernized | Cost        |
| <b>Clinical</b>                   |              |         |              |                  |            |             |
| Resident Units                    | 15,691       | 0       | 5,387        | 5,387            | 0          | \$1,077,400 |
| Resident Baths                    | 2,920        | 0       | 1,517        | 1,517            | 0          | \$318,570   |
| Kitchen/Food Service              | 1,922        | 0       | 1,922        | 0                | 0          | \$0         |
| P.T./O.T.                         | 0            | 1,255   | 2,834        | 2,834            | 0          | \$609,310   |
| Laundry                           | 0            | 558     | 1,609        | 1,609            | 0          | \$321,800   |
| Sitting/Living                    | 3,836        | 0       | 1,816        | 901              | 915        | \$308,300   |
| Dining                            | 1,803        | 0       | 634          | 634              | 0          | \$126,800   |
| Pavilion                          | 0            | 0       | 6,670        | 6,670            | 0          | \$1,372,797 |
| Beauty                            | 0            | 263     | 340          | 0                | 340        | \$47,362    |
| Grooming                          | 1,272        | 0       | 468          | 468              | 0          | \$93,644    |
| Office/ Administrative            | 2,671        | 0       | 764          | 764              | 0          | \$152,800   |
| Chapel/ Chapel Balcony            | 2,583        | 0       | 509          | 509              | 0          | \$152,700   |
| Mechanical/Electrical             | 2,936        | 0       | 4,014        | 4,014            | 0          | \$802,800   |
| Staff Support/Maintenance         | 1,437        | 0       | 814          | 814              | 0          | \$162,800   |





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| TABLE THREE<br>Space Requirements |                 |              |                 |                     |              |                    |
|-----------------------------------|-----------------|--------------|-----------------|---------------------|--------------|--------------------|
| Department/Area                   | Existing<br>GSF | Vacated      | Proposed<br>GSF | New<br>Construction | Modernized   | Cost               |
| Restrooms                         | 534             | 0            | 712             | 712                 | 0            | \$142,400          |
| Storage                           | 2,117           | 0            | 2,458           | 1,801               | 657          | \$452,180          |
| Circulation                       | 13,408          | 0            | 6,724           | 6,560               | 164          | \$1,334,960        |
| <b>TOTAL</b>                      | <b>53,130</b>   | <b>2,076</b> | <b>35,194</b>   | <b>35,194</b>       | <b>2,076</b> | <b>\$7,467,624</b> |

## VII. Project Purpose, Background and Alternatives

### A. Criterion 1110.230(a) - Background of Applicant

The criterion:

*“An applicant must demonstrate that it is fit, willing and able, and has the qualifications, background and character, to adequately provide a proper standard of health care service for the community. [20 ILCS 3960/6] In evaluating the qualifications, background and character of the applicant, HFPB shall consider whether adverse action has been taken against the applicant, or against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application. A health care facility is considered "owned or operated" by every person or entity that owns, directly or indirectly, an ownership interest. If any person or entity owns any option to acquire stock, the stock shall be considered to be owned by such person or entity (refer to 77 Ill. Adm. Code 1100 and 1130 for definitions of terms such as "adverse action", "ownership interest" and "principal shareholder").”*

The applicant provided licensure and certification information for Holy Family Villa as required. The applicants have provided representations attesting that no adverse actions have been taken against this facility, and the State Agency can access any and all information to determine whether adverse actions have been taken against the applicant. The applicant provided all the necessary information required to address this criterion.

### B. Criterion 1110.230(b) - Purpose of the Project

The criterion states:

*“The applicant shall document that the project will provide health services that improve the health care or well-being of the market area*



population to be served. The applicant shall define the planning area or market area, or other, per the applicant's definition.

- 1) The applicant shall address the purpose of the project, i.e., identify the issues or problems that the project is proposing to address or solve. Information to be provided shall include, but is not limited to, identification of existing problems or issues that need to be addressed, as applicable and appropriate for the project. Examples of such information include:
  - A) The area's demographics or characteristics (e.g., rapid area growth rate, increased aging population, higher or lower fertility rates) that May affect the need for services in the future;
  - B) The population's morbidity or mortality rates;
  - C) The incidence of various diseases in the area;
  - D) The population's financial ability to access health care (e.g., financial hardship, increased number of charity care patients, changes in the area population's insurance or managed care status);
  - E) The physical accessibility to necessary health care (e.g., new highways, other changes in roadways, changes in bus/train routes or changes in housing developments).
- 2) The applicant shall cite the source of the information (e.g., local health department Illinois Project for Local Assessment of Need (IPLAN) documents, Public Health Futures, local mental health plans, or other health assessment studies from governmental or academic and/or other independent sources).
- 3) The applicant shall detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being. Further, the applicant shall provide goals with quantified and measurable objectives with specific time frames that relate to achieving the stated goals.
- 4) For projects involving modernization, the applicant shall describe the conditions being upgraded. For facility projects, the applicant shall include statements of age and condition and any



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**regulatory citations. For equipment being replaced, the applicant shall also include repair and maintenance records."**

According to the applicants, the purpose of the project is to address an unmet demand for residents desiring care at Holy Family Villa, Palos Park. The applicants note their facility is the only facility in the 7-E Planning Area with a 5-star rating from the Centers for Medicare and Medicaid Services. The applicants also note Holy Family Villa is a faith-based skilled nursing facility operated in the Catholic tradition, which is an important consideration for prospective residents. **The State Agency concurs with the applicants 5-star rating, as well as a need for 339 LTC beds in LTC Planning Area 7-E.**

## C. Criterion 1110.230 (c) Alternatives to the Proposed Project

The criterion states:

**"The applicant shall document that the proposed project is the most effective or least costly alternative for meeting the health care needs of the population to be served by the project.**

- 1) **Alternative options shall be addressed. Examples of alternative options include:**
  - A) **Proposing a project of greater or lesser scope and cost;**
  - B) **Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;**
  - C) **Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and**
  - D) **Other considerations.**
- 2) **Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of cost, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This May vary by project or situation.**



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- 3) **The applicant shall provide empirical evidence, including quantified outcome data; that verifies improved quality of care, as available."**

The applicant considered the following four alternatives:

1. **Build a 60-Bed Addition to the Existing Structure**

The applicant rejected this alternative. Although these 60 beds would be in demand, the applicant does not have sufficient financial resources to construct a 60-bed addition, and does not wish to incur debt as a result of any expansion project. The applicant also doubts a project this size would gain approval from Municipal Authorities. **The applicant identified an estimated cost of \$20,000,000 with this alternative.**

2. **Build a 10-Bed Addition to the Existing Structure**

The applicant considered the alternative of building a 10-bed addition to the existing structure, because this alternative could be accomplished under State Board Rules without needing CON approval. However, the applicant felt this alternative would fall short of the need to accommodate individuals seeking admission to Holy Family Villa. The applicant cite current utilization capacity of 96.1%, 296 individuals currently on a waiting list, and note a project of this size would result in higher construction costs per bed and less prudent utilization of resources. **The applicant identified an estimated cost of \$3,909,650 with this alternative.**

3. **Purchase a New 200-Bed Facility, and Operate an Additional Facility in Conjunction with Holy Family Villa**

The applicant notes this alternative would best address the bed need in the need for 339 additional beds the 7-E Planning Area, and the current waiting list for admittance to Holy Family Villa. However, the applicants found no facility of this size for sale in the area, and the potential for a relocation of this size to compromise the identity and close-knit community of the current Holy Family Villa community. Based on these considerations, the applicant rejected this alternative. **The applicant did not identify an estimated cost with this alternative.**



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## **4. Proceed with Proposed Project**

The applicant cites the alternative of constructing a 30-bed addition to the existing facility as the most viable. The applicant feels a project of this size would meet the current demand for admissions, while using its financial resources in the most prudent manner. The applicant also feels this alternative is least intrusive to the “wholly family” community, and least disruptive to its faith-based campus. **The applicant identified an estimated cost of \$10,871,749 with this alternative.**

The applicant has supplied the information requested in accordance with this criterion.

## **VIII. Project Scope and Size, Utilization and Unfinished/Shell Space**

### **A. Criterion 1110.234(a) - Size of Project**

The criterion states:

**“The applicant shall document that the amount of physical space proposed for the project is necessary and not excessive. The proposed gross square footage (GSF) cannot exceed the GSF standards of Appendix B, unless the additional GSF can be justified by documenting one of the following:**

- 1) Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;**
- 2) The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;**
- 3) The project involves the conversion of existing bed space that results in excess square footage.”**

The applicant notes the project proposes to construct a 30-bed addition (37,720 GSF) to an existing 99-bed (53,130 GSF) facility. The total square footage of the proposed project is 83,495 square feet, with the total clinical gross square feet being 90,400 GSF or 700.8 GSF/bed (See Table Four).



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The current State Board standard is 435-713 BGSF per bed, which was effective April 2010. A positive finding can be made for this criterion.

**TABLE FOUR**  
**Project #11-021 Meadowbrook Manor-LaGrange**

| Departments       | Unit of Measure                | State Standard/Unit of Measure | State Standard GSF | Proposed GSF | Difference | Meets Standards |
|-------------------|--------------------------------|--------------------------------|--------------------|--------------|------------|-----------------|
| Nursing Care Beds | 129 beds/<br>700.8 GSF per bed | 435-713 BGSF/Bed               | 91,977             | 90,400 GSF   | 1,577 GSF  | Yes             |

**THE STATE AGENCY FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE SIZE OF PROJECT - REVIEW CRITERION (77 IAC 1110.234(A)).**

**B. Criterion 1110.234(b) Project Services Utilization**

The criterion states:

**“This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFPB has not established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100. The applicant shall document that, in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in Appendix B.”**

The applicant notes a high demand for admission to Holy Family Villa, Palos Park. The applicant notes its waiting list has 296 applicants, and the facility is currently operating at 96.1% capacity. The applicants also considered 423 resident admission inquiries in the last year, and anticipate an occupational capacity of 96.8% by the second year after project completion (See Table 5). The State Board standard for LTC utilization is 90%.

| TABLE FIVE          |           |             |
|---------------------|-----------|-------------|
| Year                | Capacity* | % Occupancy |
| 2013                | 125       | 96.8%       |
| 2014                | 125       | 96.8%       |
| *100% capacity: 197 |           |             |

**THE STATE AGENCY FINDS THE PROJECT APPEARS TO BE IN CONFORMANCE WITH THE PROJECT UTILIZATION CRITERION. - REVIEW CRITERION (77 IAC 1110.234(B)).**





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**IX. Section 1125.530 General Long Term Care – Review Criteria**

**A) Criterion 1125.530 (b) - Planning Area Need**

The applicant shall document that the number of beds to be established or added is necessary to serve the planning area's population, based on the following:

**b) Service to Planning Area Residents**

1) Applicants proposing to establish or add beds shall document that the primary purpose of the project will be to provide necessary LTC to the residents of the area in which the proposed project will be physically located (i.e., the planning or geographical service area, as applicable), for each category of service included in the project.

2) Applicants proposing to add beds to an existing general LTC service shall provide resident/patient origin information for all admissions for the last 12-month period, verifying that at least 50% of admissions were residents of the area. For all other projects, applicants shall document that at least 50% of the projected resident volume will be from residents of the area.

3) Applicants proposing to expand an existing general LTC service shall submit resident/patient origin information by zip code, based upon the resident's/patient's legal residence (other than an LTC facility).

**1) Service to Planning Area Residents**

The applicant supplied a report (application, p. 105), providing patient origin information for all admissions to Holy Family Villa, Palos Park, for the year 2011. It is noted that at least 50% of the admissions were residents of the applicant's service area.

**THE STATE AGENCY FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH THE WITH THE ASSURANCES REVIEW FUNCTIONS CRITERION (77 IAC 1125.530(b)).**

**2) Service Demand – Expansion of General Long Term Care**

The applicant proposes to construct a 30-bed wing to the existing Holy Family Villa facility in Palos Park. The proposed project will increase the



applicant's bed complement from 99 skilled nursing beds to 129, and address a bed need for 339 skilled nursing beds in Planning Area 7-E. The applicant notes an average operational capacity of 96.6% for the past two years. Board Staff concurs with these findings. The applicant supplied a list (application p. 107), of all residents currently on Holy Family's "Waiting List", complete with the referral source. Page 114 of the application contains a listing of resident inquiries for admission to Holy Family Villa. The applicant used the data from these lists to establish the number of projected referrals to the facility upon project completion.

**THE STATE AGENCY FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH THE WITH THE EXPANSION OF GENERAL LONG TERM CARE REVIEW FUNCTIONS CRITERION (77 IAC 1125.550).**

**3) Staffing Availability – Review Criterion**

The applicants note the current facility has 99 operational beds that are sufficiently staffed per licensing standards, and are in possession of 177 letters of application for future openings at Holy Family Villa, Palos Park. The applicant reports having prepared additional staffing projections (application, p. 128), and notes the number of applications on file exceed the projected number for each position listed on page 128 of the application.

**THE STATE AGENCY FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH THE WITH THE STAFFING AVAILABILITY REVIEW CRITERION (77 IAC 1125.590).**

**4) Performance Requirements – Bed Capacity/Facility Size**

The maximum size of a general long term care facility is 250 beds, unless the applicant documents that a larger facility would provide personalization of patient care and documents provision of quality care based on the experience of the applicant and compliance with IDPH's licensure standards (77 Ill. Adm. Code: Chapter I, Subchapter c – Long-Term Care Facilities) over a two-year period of time.

The applicant notes the facility will consist of 129 skilled nursing beds after project completion. It appears the applicant is in conformance with the Facility Size criterion.





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**THE STATE AGENCY FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH THE FACILITY SIZE CRITERION (77 IAC 1125.600, and 1125.620.**

**5) Assurances**

- 1) The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100 for each category of service involved in the proposal.**
- 2) For beds that have been approved based upon representations for continuum of care (subsection (c)) or defined population (subsection (d)), the facility shall provide assurance that it will maintain admissions limitations as specified in those subsections for the life of the facility. To eliminate or modify the admissions limitations, prior approval of HFPB will be required.**

The applicant provided the required signed documents to satisfy the Assurances Review criterion 1125.640 (application, p. 135).

**THE STATE AGENCY FINDS THE PROPOSED PROJECT TO BE IN CONFORMANCE WITH THE WITH THE ASSURANCES REVIEW FUNCTIONS CRITERION (77 IAC 1125.640).**

**X. 1120.120 - Availability of Funds**

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable:

- a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:**
  - 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and**



- 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
- b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience. Provide a list of confirmed pledges from major donors (over \$100,000);
- c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
- d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
  - 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
  - 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
  - 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
  - 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
- e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;



- f) **Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;**
- g) **All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.**

The total estimated project cost is \$10,871,749 and the applicant will fund the entirety of the project with cash and securities (internally funded). The applicant has also provided a copy of an independent audit that verifies sufficient resources to adequately finance the proposed project.

**THE STATE AGENCY FINDS THE PROPOSED PROJECT APPEARS TO MEET THE REQUIREMENTS OF THE AVAILABILITY OF FUNDS CRITERION (77 IAC 1120.120)**

**XI. 1120.130 - Financial Viability**

**a) Financial Viability Waiver**

**The applicant is NOT required to submit financial viability ratios if:**

- 1) **all project capital expenditures, including capital expended through a lease, are completely funded through internal resources (cash, securities or received pledges); or**

**HFSRB NOTE: Documentation of internal resources availability shall be available as of the date the application is deemed complete.**

- 2) **the applicant's current debt financing or projected debt financing is insured or anticipated to be insured by Municipal Bond Insurance Association Inc. (MBIA), or its equivalent; or**

**HFSRB NOTE: MBIA Inc is a holding company whose subsidiaries provide financial guarantee insurance for municipal bonds and structured financial projects. MBIA coverage is used to promote credit enhancement as MBIA would pay the debt (both principal and interest) in case of the bond issuer's default.**

- 3) **the applicant provides a third-party surety bond or performance bond letter of credit from an A rated guarantor (insurance company, bank or investing firm) guaranteeing project completion within the approved financial and project criteria.**



**b) Viability Ratios**

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards. The latest three years' audited financial statements shall consist of:

- 1) Balance sheet;
- 2) Revenues and expenses statement;
- 3) Changes in fund balance; and
- 4) Changes in financial position.

**HFSRB NOTE:** To develop the above ratios, facilities shall use and submit audited financial statements. If audited financial statements are not available, the applicant shall use and submit Federal Internal Revenue Service tax returns or the Federal Internal Revenue Service 990 report with accompanying schedules. If the project involves the establishment of a new facility and/or the applicant is a new entity, supporting schedules to support the numbers shall be provided documenting how the numbers have been compiled or projected.

**c) Variance**

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

The applicant proposes to fund the proposed project in its entirety with cash and securities (internal sources). This criterion is not applicable. The applicant has also provided a copy of an independent audit that verifies sufficient resources to adequately finance the proposed project.



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**THE STATE AGENCY FINDS THE REQUIREMENTS OF THE FINANCIAL VIABILITY CRITERION IS INAPPLICABLE TO THE PROPOSED PROJECT (77 IAC 1120.130)**

**XII. Review Criteria - Economic Feasibility**

**A. Criterion 1120.140(a) - Reasonableness of Financing Arrangements**

The criterion states:

**"This criterion is not applicable if the applicant has documented a bond rating of "A" or better pursuant to Section 1120.210. An applicant that has not documented a bond rating of "A" or better must document that the project and related costs will be:**

- 1) funded in total with cash and equivalents including investment securities, unrestricted funds, and funded depreciation as currently defined by the Medicare regulations (42 USC 1395); or**
- 2) funded in total or in part by borrowing because:**
  - A) a portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order that the current ratio does not fall below 2.0 times;**
  - B) or borrowing is less costly than the liquidation of existing investments and the existing investments being retained may be converted to cash or used to retire debt within a 60 day period. The applicant must submit a notarized statement signed by two authorized representatives of the applicant entity (in the case of a corporation, one must be a member of the board of directors) that attests to compliance with this requirement.**
  - C) The project is classified as a Class B project. The co-applicants do not have a bond rating of "A". No capital costs, except fair market value of leased space and used equipment, are being incurred by the co-applicants."**

The total estimated project cost is \$10,871,749 and the applicant attests to funding the project in its entirety with cash and securities. The applicants have attested that all cash and securities are being used prior to borrowing.

**THE STATE AGENCY FINDS THE PROPOSED PROJECT APPEARS TO MEET THE REQUIREMENTS OF THE REASONABLENESS OF FINANCING CRITERION (77 IAC 1120.140 (a))**



**B. Criterion 1120.140(b) - Conditions of Debt Financing**

This criterion states:

**"The applicant must certify that the selected form of debt financing the project will be at the lowest net cost available or if a more costly form of financing is selected, that form is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs, and other factors. In addition, if all or part of the project involves the leasing of equipment or facilities, the applicant must certify that the expenses incurred with leasing a facility and/or equipment are less costly than constructing a new facility or purchasing new equipment. Certification of compliance with the requirements of this criterion must be in the form of a notarized statement signed by two authorized representative (in the case of a corporation, one must be a member of the board of directors) of the applicant entity."**

The total estimated project cost is \$10,871,749 and the applicant will fund the project in its entirety with cash and securities (internal sources). A notarized statement was provided as per the criterion (application p. 304).

**THE STATE AGENCY FINDS THE PROPOSED PROJECT APPEARS TO MEET THE REQUIREMENTS OF THE TERMS OF DEBT FINANCING CRITERION (77 IAC 1120.140 (b))**

**C. Criterion 1120.140(c) - Reasonableness of Project Cost**

The criteria states:

**"1) Construction and Modernization Costs**

**Construction and modernization costs per square foot for non-hospital based ambulatory surgical treatment centers and for facilities for the developmentally disabled, and for chronic renal dialysis treatment centers projects shall not exceed the standards detailed in Appendix A of this Part unless the applicants documents construction constraints or other design complexities and provides evidence that the costs are similar or consistent with other projects that have similar constraints or complexities. For all other projects, construction and modernization costs per square foot shall not exceed the adjusted (for inflation, location, economies of scale and mix of service) third quartile as provided for in the Means Building Construction Cost Data publication**





unless the applicants documents construction constraints or other design complexities and provides evidence that the costs are similar or consistent with other projects that have similar constraints or complexities.

2) Contingencies

Contingencies (stated as a percentage of construction costs for the stage of architectural development) shall not exceed the standards detailed in Appendix A of this Part unless the applicants documents construction constraints or other design complexities and provides evidence that the costs are similar or consistent with other projects that have similar constraints or complexities. Contingencies shall be for construction or modernization only and shall be included in the cost per square foot calculation.

BOARD NOTE: If, subsequent to permit issuance, contingencies are proposed to be used for other line item costs, an alteration to the permit (as detailed in 77 Ill. Adm. Code 1130.750) must be approved by the State Board prior to such use.

3) Architectural Fees

Architectural fees shall not exceed the fee schedule standards detailed in Appendix A of this Part unless the applicants documents construction constraints or other design complexities and provides evidence that the costs are similar or consistent with other projects that have similar constraints or complexities.

4) Major Medical and Movable Equipment

A) For each piece of major medical equipment, the applicants must certify that the lowest net cost available has been selected, or if not selected, that the choice of higher cost equipment is justified due to such factors as, but not limited to, maintenance agreements, options to purchase, or greater diagnostic or therapeutic capabilities.

B) Total movable equipment costs shall not exceed the standards for equipment as detailed in Appendix A of this Part unless the applicants documents construction constraints or other design complexities and provides evidence that the costs are similar or consistent with other projects that have similar constraints or complexities.

5) Other Project and Related Costs

The applicants must document that any preplanning, acquisition, site survey and preparation costs, net interest expense and other estimated costs do not exceed industry norms based upon a comparison with similar projects that have been reviewed."



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The State Agency notes the cost identified below are for clinical expenses only.

**Preplanning Costs** – These costs total \$70,000 or .83% of construction, modernization, contingency, and equipment costs. This appears reasonable compared to the State standard of 1.8%.

**Site Survey/Site Preparation Costs** – These costs total \$367,268 or 4.8% construction and contingency costs. This appears to be reasonable compared to the State Standard of 5%.

**Off-Site Work** – These costs total \$406,160. The State Board does not have a standard for these costs.

**New Construction and Proportionate Contingencies** – This cost is \$7,593,676 or \$215.77 per GSF. This appears **high** when compared to the adjusted State Board standard of \$215.27 per GSF.

| TABLE SIX<br>New Construction Costs per Square Foot |                                 |                    |
|---|---------------------------------|--------------------|
| Applicant' Proposal per GSF                         | Adjusted State Standard per GSF | Difference per GSF |
| \$215.77  | \$215.27                        | \$.50              |
| Applicant' Total Const./Cont. Cost                  | Adjusted State Standard         | Difference         |
| \$7,593,676   | \$7,576,212                     | \$17,464           |

**Modernization and Proportionate Contingencies** – This cost is \$319,146 or \$153.73 per GSF. This appears **high** when compared to the adjusted State Board standard of \$150.68 per GSF.

| TABLE SEVEN<br>Modernization Costs per Square Foot |                                 |                    |
|--|---------------------------------|--------------------|
| Applicant' Proposal per GSF                        | Adjusted State Standard per GSF | Difference per GSF |
| \$153.73   | \$150.68                        | \$3.05             |
| Applicant' Total Mod./Cont. Cost                   | Adjusted State Standard         | Difference         |
| \$319,146  | \$312,811                       | \$6,335            |

**Proportionate Contingencies-New Construction** – This cost is \$690,576 or 10% of new construction costs. This appears reasonable when compared to the State Board standards of 10% for new construction.

**Proportionate Contingencies-Modernization** – This cost is \$28,774 or 9.9% of modernization costs. This appears reasonable when compared to the State Board standards of 10-15% for modernization.





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**Architectural and Engineering Fees New Construction** – This cost is \$626,858 or 8.2% of construction and contingency costs. This appears reasonable when compared to the State Board standard of 5.94% - 8.92%.

**Architectural and Engineering Fees Modernization** – This cost is \$26,119 or 8.9% of modernization and contingency costs. This appears reasonable when compared to the State Board standard of 10.76% - 16.16%.

**Consulting and Other Fees** – These costs total \$238,619. The State Board does not have a standard for this cost.

**Moveable Equipment** - These costs total \$426,747, or \$3,308.11 per bed. This is reasonable compared to the State Standard of \$6,491.00 per LTC bed.

**Other Costs to be Capitalized** – These costs total \$332,850. The State Board does not have a standard for this cost.

It appears that the applicant has New Construction/Proportionate Contingency and Modernization/Proportionate Contingency costs in excess of the allowable amount therefore a positive finding cannot be made.

**THE STATE AGENCY FINDS THE PROPOSED PROJECT DOES NOT APPEAR TO MEET THE REQUIREMENTS OF REASONABLENESS OF PROJECT COST CRITERION (77 IAC 1120.140 (c))**

### **D. Criterion 1120.140(d) - Projected Operating Costs**

The criterion states:

**“The applicants must provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year after project completion or the first full fiscal year when the project achieves or exceeds target utilization pursuant to 77 Ill. Adm. Code 1100, whichever is later. Direct cost means the fully allocated costs of salaries, benefits, and supplies for the service.”**

The applicants state this cost will be \$254.31 per patient day. The State Board does not have a standard for this cost.



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**THE STATE AGENCY FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE PROJECTED OPERATING COSTS REVIEW CRITERION (77 IAC 1120.140 (d)).**

**E. Criterion 1120.140(e) - Total Effect of the Project on Capital Costs**

**The criterion states:**

**"The applicants must provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full year after project completion or the first full fiscal year when the project achieves or exceeds target utilization pursuant to 77 Ill. Adm. Code 1100, whichever is later."**

The applicants state this cost will be \$458.90 per patient day. The State Board does not have a standard for this cost.

**THE STATE AGENCY FINDS THE PROPOSED PROJECT APPEARS TO BE IN CONFORMANCE WITH THE TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS REVIEW CRITERION (77 IAC 1120.140 (e)).**

| HOLY FAMILY VILLA            |             |                       | ADMISSION RESTRICTIONS                     |                | RESIDENTS BY PRIMARY DIAGNOSIS            |                        |    |
|------------------------------|-------------|-----------------------|--|----------------|---|------------------------|----|
| 12220 SOUTH WILL COOK ROAD   |             |                       | Aggressive/Anti-Social                     | 0              | DIAGNOSIS                                 |                        |    |
| PALOS PARK, IL. 60464        |             |                       | Chronic Alcoholism                         | 1              | Neoplasms                                 | 0                      |    |
| Reference Numbers            | Facility ID | 6004550               | Developmentally Disabled                   | 1              | Endocrine/Metabolic                       | 4                      |    |
| Health Service Area          | 007         | Planning Service Area | 705  | Drug Addiction | Blood Disorders                           | 0                      |    |
| Administrator                |             |                       | Medicaid Recipient                         | 0              | *Nervous System Non Alzheimer             | 7                      |    |
| Roberta Magurany             |             |                       | Medicare Recipient                         | 0              | Alzheimer Disease                         | 13                     |    |
|                              |             |                       | Mental Illness                             | 1              | Mental Illness                            | 12                     |    |
| Contact Person and Telephone |             |                       | Non-Ambulatory                             | 0              | Developmental Disability                  | 0                      |    |
| KATHI GRABEN                 |             |                       | Non-Mobile                                 | 0              | Circulatory System                        | 54                     |    |
| 630-257-2291                 |             | Date Completed        | Public Aid Recipient                       | 0              | Respiratory System                        | 1                      |    |
| Registered Agent Information |             | 2/1/2011              | Under 65 Years Old                         | 0              | Digestive System                          | 0                      |    |
| Fr. Michael Boland           |             |                       | Unable to Self-Medicate                    | 0              | Genitourinary System Disorders            | 3                      |    |
| 721 N. LaSalle Street        |             |                       | Ventilator Dependent                       | 1              | Skin Disorders                            | 0                      |    |
| Chicago, IL 60610            |             |                       | Infectious Disease w/ Isolation            | 0              | Musculo-skeletal Disorders                | 3                      |    |
| FACILITY OWNERSHIP           |             |                       | Other Restrictions                         | 0              | Injuries and Poisonings                   | 0                      |    |
| NON-PROF CORPORATION         |             |                       | No Restrictions                            | 0              | Other Medical Conditions                  | 0                      |    |
| CONTINUING CARE COMMUNITY    | No          |                       | Note: Reported restrictions denoted by 'I' |                |   | Non-Medical Conditions | 0  |
| LIFE CARE FACILITY           | No          |                       |  |                |   | TOTALS                 | 97 |
|                              |             |                       |  |                | Total Residents Diagnosed as Mentally Ill |                        | 12 |

| LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS |               |                  |                |             |             |                |                    |                    | ADMISSIONS AND DISCHARGES - 2010 |     |
|--|---------------|------------------|----------------|-------------|-------------|----------------|--------------------|--------------------|----------------------------------|-----|
| LEVEL OF CARE  | LICENSED BEDS | PEAK BEDS SET-UP | PEAK BEDS USED | BEDS SET-UP | BEDS IN USE | AVAILABLE BEDS | MEDICARE CERTIFIED | MEDICAID CERTIFIED | Residents on 1/1/2010            | 92  |
| Nursing Care   | 99            | 99               | 99             | 99          | 97          | 2              | 99                 | 65                 | Total Admissions 2010            | 132 |
| Skilled Under 22   | 0             | 0                | 0              | 0           | 0           | 0              |                    | 0                  | Total Discharges 2010            | 127 |
| Intermediate DD  | 0             | 0                | 0              | 0           | 0           | 0              |                    | 0                  | Residents on 12/31/2010          | 97  |
| Sheltered Care   | 0             | 0                | 0              | 0           | 0           | 0              |                    |                    | <b>Identified Offenders</b>      | 0   |
| TOTAL BEDS   | 99            | 99               | 99             | 99          | 97          | 2              | 99                 | 65                 |                                  |     |

**FACILITY UTILIZATION - 2010**  
**BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE**

| LEVEL OF CARE    |           |           |           |           |              | Private   | Private   | Charity   |           | Licensed  | Peak Beds |
|------------------|-----------|-----------|-----------|-----------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|
|                  | Medicare  |           | Medicaid  |           | Other Public | Insurance | Pay       | Care      | TOTAL     | Beds      | Set Up    |
|                  | Pat. days | Occ. Pct. | Pat. days | Occ. Pct. | Pat. days    | Pat. days | Pat. days | Pat. days | Pat. days | Occ. Pct. | Occ. Pct. |
| Nursing Care     | 3261      | 9.0%      | 13479     | 56.8%     | 0            | 0         | 17707     | 277       | 34724     | 96.1%     | 96.1%     |
| Skilled Under 22 |           |           | 0         | 0.0%      | 0            | 0         | 0         | 0         | 0         | 0.0%      | 0.0%      |
| Intermediate DD  |           |           | 0         | 0.0%      | 0            | 0         | 0         | 0         | 0         | 0.0%      | 0.0%      |
| Sheltered Care   |           |           |           |           | 0            | 0         | 0         | 0         | 0         | 0.0%      | 0.0%      |
| TOTALS           | 3261      | 9.0%      | 13479     | 56.8%     | 0            | 0         | 17707     | 277       | 34724     | 96.1%     | 96.1%     |

**RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2010**

| AGE GROUPS | NURSING CARE |        | SKL UNDER 22 |        | INTERMED. DD |        | SHELTERED |        | TOTAL |        | GRAND TOTAL |
|------------|--------------|--------|--------------|--------|--------------|--------|-----------|--------|-------|--------|-------------|
|            | Male         | Female | Male         | Female | Male         | Female | Male      | Female | Male  | Female |             |
| Under 18   | 0            | 0      | 0            | 0      | 0            | 0      | 0         | 0      | 0     | 0      | 0           |
| 18 to 44   | 0            | 0      | 0            | 0      | 0            | 0      | 0         | 0      | 0     | 0      | 0           |
| 45 to 59   | 1            | 0      | 0            | 0      | 0            | 0      | 0         | 0      | 1     | 0      | 1           |
| 60 to 64   | 0            | 0      | 0            | 0      | 0            | 0      | 0         | 0      | 0     | 0      | 0           |
| 65 to 74   | 0            | 3      | 0            | 0      | 0            | 0      | 0         | 0      | 0     | 3      | 3           |
| 75 to 84   | 8            | 17     | 0            | 0      | 0            | 0      | 0         | 0      | 8     | 17     | 25          |
| 85+        | 8            | 60     | 0            | 0      | 0            | 0      | 0         | 0      | 8     | 60     | 68          |
| TOTALS     | 17           | 80     | 0            | 0      | 0            | 0      | 0         | 0      | 17    | 80     | 97          |

**HOLY FAMILY VILLA**

12220 SOUTH WILL COOK ROAD

PALOS PARK, IL. 60464

**Reference Numbers** Facility ID 6004550

Health Service Area 007 Planning Service Area 705

**RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE**

| LEVEL<br>OF CARE | Medicare  | Medicaid  | Other<br>Public | Insurance | Private<br>Pay | Charity<br>Care | TOTALS    |
|------------------|-----------|-----------|-----------------|-----------|----------------|-----------------|-----------|
| Nursing Care     | 12        | 40        | 0               | 0         | 44             | 1               | 97        |
| Skilled Under 22 | 0         | 0         | 0               | 0         | 0              | 0               | 0         |
| ICF/DD           |           | 0         | 0               | 0         | 0              | 0               | 0         |
| Sheltered Care   |           |           | 0               | 0         | 0              | 0               | 0         |
| <b>TOTALS</b>    | <b>12</b> | <b>40</b> | <b>0</b>        | <b>0</b>  | <b>44</b>      | <b>1</b>        | <b>97</b> |

**AVERAGE DAILY PAYMENT RATES**

| LEVEL OF CARE    | SINGLE | DOUBLE |
|------------------|--------|--------|
| Nursing Care     | 260    | 240    |
| Skilled Under 22 | 0      | 0      |
| Intermediate DD  | 0      | 0      |
| Shelter          | 0      | 0      |

**RESIDENTS BY RACIAL/ETHNICITY GROUPING**

| RACE               | Nursing   | SkilUnd22 | ICF/DD   | Shelter  | Totals    |
|--------------------|-----------|-----------|----------|----------|-----------|
| Asian              | 0         | 0         | 0        | 0        | 0         |
| Amer. Indian       | 0         | 0         | 0        | 0        | 0         |
| Black              | 2         | 0         | 0        | 0        | 2         |
| Hawaiian/Pac. Isl. | 0         | 0         | 0        | 0        | 0         |
| White              | 95        | 0         | 0        | 0        | 95        |
| Race Unknown       | 0         | 0         | 0        | 0        | 0         |
| <b>Total</b>       | <b>97</b> | <b>0</b>  | <b>0</b> | <b>0</b> | <b>97</b> |

  

| ETHNICITY         | Nursing   | SkilUnd22 | ICF/DD   | Shelter  | Totals    |
|-------------------|-----------|-----------|----------|----------|-----------|
| Hispanic          | 1         | 0         | 0        | 0        | 1         |
| Non-Hispanic      | 96        | 0         | 0        | 0        | 96        |
| Ethnicity Unknown | 0         | 0         | 0        | 0        | 0         |
| <b>Total</b>      | <b>97</b> | <b>0</b>  | <b>0</b> | <b>0</b> | <b>97</b> |

**STAFFING**

| EMPLOYMENT<br>CATEGORY | FULL-TIME<br>EQUIVALENT |
|------------------------|-------------------------|
| Administrators         | 1.00                    |
| Physicians             | 0.00                    |
| Director of Nursing    | 1.00                    |
| Registered Nurses      | 9.00                    |
| LPN's                  | 7.00                    |
| Certified Aides        | 43.00                   |
| Other Health Staff     | 4.00                    |
| Non-Health Staff       | 63.00                   |
| <b>Totals</b>          | <b>128.00</b>           |

**NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)**

| Medicare | Medicaid  | Other Public | Private Insurance | Private Pay | TOTALS    | Charity<br>Care<br>Expense* | Charity Care<br>Expense as % of<br>Total Net Revenue |
|----------|-----------|--------------|-------------------|-------------|-----------|-----------------------------|--|
| 6.6%     | 26.7%     | 0.0%         | 0.0%              | 66.7%       | 100.0%    |                             | 1.1%   |
| 404,367  | 1,629,604 | 0            | 0                 | 4,077,241   | 6,111,212 | 69,226                      |  |

\*Charity Expense does not include expenses which may be considered a community benefit.

